

Leswick, Nick (FIN)

From: Leswick, Nick (FIN)
Sent: Friday, March 2, 2018 1:53 PM
To: Recker, Bradley (FIN); Greenough, Rod (FIN)
Cc: Sarah Colpitts (FIN) (sarah.colpitts@canada.ca)
Subject: FW: PBO Information Request IR0355 / DPB Demand d'information IR0355
Attachments: IR0355_FC_supplementary_info_Budget20018_Replyform.docx; IR0355_FC_supplementary_info_Budget20018_FR.pdf; IR0355_FC_supplementary_info_Budget20018_EN.pdf

Importance: High

From: Rechico, Katharine [mailto:Katharine.Rechico@pco-bcp.gc.ca]
Sent: Friday, March 2, 2018 1:42 PM
To: Leswick, Nick (FIN) <nick.leswick@canada.ca>
Subject: FW: PBO Information Request IR0355 / DPB Demand d'information IR0355
Importance: High

Coming to you soon...

From: pbo-dpb@parl.gc.ca [mailto:pbo-dpb@parl.gc.ca]
Sent: March 2, 2018 1:32 PM
To: bill.morneau@canada.ca
Cc: Rechico, Katharine; paul.rochon@canada.ca
Subject: PBO Information Request IR0355 / DPB Demand d'information IR0355
Importance: High

La version anglaise suit]

Monsieur le ministre,

Au nom de Jean-Denis Fréchette, directeur parlementaire du budget, vous trouverez ci-joint la demande d'information IR0355.

Une copie papier en anglais et en français de la lettre sera envoyée par la poste.

Je vous remercie de votre attention à cette correspondance.

Dear Minister Morneau:

On behalf of Jean-Denis Fréchette, Parliamentary Budget Officer, please find attached Information Request IR0355.

An English and French paper copy of the letter will be sent to you by mail.

Thank you for your attention to this correspondence.



OFFICE OF THE
PARLIAMENTARY
BUDGET OFFICER
BUREAU DU DIRECTEUR
PARLEMENTAIRE DU
BUDGET

Jocelyne Scrim

Office of the Parliamentary Budget Officer | Bureau du directeur parlementaire du budget

Ottawa, ON K1A 0A9

Jocelyne.scrim@parl.gc.ca

Tel /Tél: 613.943.1333

Twitter @dpb_pbo | Website: pbo-dpb@parl.gc.ca

Leswick, Nick (FIN)

From: Leswick, Nick (FIN)
Sent: Friday, March 2, 2018 2:02 PM
To: Rozon, Roxanne (FIN); McDermott, Alison (FIN)
Cc: Hanes, Tasha (FIN); Rochon, Paul (FIN); Recker, Bradley (FIN); Sarah Colpitts (FIN) (sarah.colpitts@canada.ca)
Subject: RE: PBO Information Request IR0355 / DPB Demand d'information IR0355

Thanks. PBO gave us a heads up on this.

From: Rozon, Roxanne (FIN)
Sent: Friday, March 2, 2018 1:49 PM
To: Leswick, Nick (FIN) <nick.leswick@canada.ca>; McDermott, Alison (FIN) <alison.mcdermott@canada.ca>
Cc: Hanes, Tasha (FIN) <tasha.hanes@canada.ca>; Rochon, Paul (FIN) <paul.rochon@canada.ca>
Subject: FW: PBO Information Request IR0355 / DPB Demand d'information IR0355
Importance: High

FYI/FYA

From: Office of the Parliamentary Budget Officer
Sent: March 2, 2018 1:31:39 PM (UTC-05:00) Eastern Time (US & Canada)
To: MinFinance / FinanceMin (FIN)
Cc: katharine.rechico@pco-bcp.gc.ca; Rochon, Paul (FIN)
Subject: PBO Information Request IR0355 / DPB Demand d'information IR0355

La version anglaise suit]

Monsieur le ministre,

Au nom de Jean-Denis Fréchette, directeur parlementaire du budget, vous trouverez ci-joint la demande d'information IR0355.

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Thank you for your attention to this correspondence.



OFFICE OF THE
PARLIAMENTARY
BUDGET OFFICER
BUREAU DU DIRECTEUR
PARLEMENTAIRE DU
BUDGET

Jocelyne Scrim

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Ottawa, ON K1A 0A9
Jocelyne.scrim@parl.gc.ca
Tel /Tél: 613.943.1333
Twitter @dpb_pbo | Website: pbo-dpb@parl.gc.ca



2 March 2018

The Honourable Bill Morneau, Minister
Finance Canada
90 Elgin Street
Floor 17
Ottawa, ON
K1A 0G5

bill.morneau@canada.ca

Information Request: IR0355

Dear Minister Morneau:

As you are likely aware, the Parliamentary Budget Officer (PBO) provides independent and non-partisan analysis to the Senate and to the House of Commons about matters related to the nation's finances and the economy, the estimates, certain other documents government documents and the cost of proposals. In carrying out my mandate, I often require information held by government departments and Crown corporations and I am entitled to free and timely access – subject to limited exceptions – to such information under section 79.4 of the *Parliament of Canada Act*.

I am currently undertaking an analysis pursuant to paragraph 79.2(1)(a) of the *Parliament of Canada Act*, which mandates the PBO to prepare reports analyzing the following federal government documents: (i) a budget tabled by or on behalf of the Minister of Finance; (ii) an economic and fiscal update or statement issued by the Minister of Finance; (iii) a fiscal sustainability report issued by the Minister of Finance; (iv) the estimates of the government for a fiscal year.

For this analysis, we would like the following supplementary information for Budget 2018:

1. Details of the underlying factors contributing to recent economic and fiscal developments in direct program spending (excluding new measures), as shown in Table A2.3 (p. 312). Where possible, please categorize the changes between the Fall Economic Statement 2017 and Budget 2018 consistent with the presentation of Public Accounts Volume 2, Section 1, Table 3a.
2. Budget 2018 referenced the more than \$180 billion in infrastructure spending committed

2. Budget 2018 referenced the more than \$180 billion in infrastructure spending committed over 12 years (p. 349). Fall Economic Statement 2016 set out the infrastructure fiscal framework in Table 2.1 (p. 30) and Budget 2016 tables A2.17 and A2.18 reconcile data for Budgets 2016 and 2017. Budget 2018 table A2.16 accounts for only \$21.2 billion of the \$91.1 billion of "existing infrastructure programs" funding (FES2016, Table 2.1). Can you provide updated data on the allocation of legacy infrastructure programs for the entire \$91.1 billion envelope?

3. Data and methodologies for the 2017-18 to 2022-23 fiscal estimates for:
 - Artificial Losses Using Equity-Based Financial Arrangements
 - Stop-Loss Rule on Share Repurchase Transactions

Based on the nature of this request and the analysis I am undertaking, I believe a reasonable deadline would be 12 March 2018. A response must be provided by you, by the appropriate deputy minister or designate, or by the person occupying a similar position if access to the requested information cannot be granted by that date.

Should you or your staff have any questions about this information request, the analyst responsible, Trevor Shaw can be contacted directly at trevor.shaw@parl.gc.ca, 613-698-6568.

Attached is a reply form. It too should be filled out and returned by 12 March 2018, whether or not you provide access to the requested information. Should you refuse to provide access to the requested information, the appropriate deputy minister or the person occupying a similar position must provide a written justification for the refusal as required under section 79.41 of the *Parliament of Canada Act*.

The response letter will be posted on the PBO website and, therefore, it should not be marked "confidential". As well, the requested information should be attached separately. If this information is confidential, please clearly mark it as such, either on the electronic spreadsheet or the hard copy version.

I want to thank you for your assistance in this matter. Providing timely and effective analysis to the Senate and House of Commons for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability is the PBO's primary objective. The degree to which this is possible depends, to a large extent, on free and timely access to quality information held by government departments. In doing so, you are assisting us in better serving the Senate, the House of Commons, and their members.

Yours sincerely,


Jean-Denis Fréchette
Parliamentary Budget Officer

c.c.: Katharine Rechico, Assistant Secretary to the Cabinet,
Privy Council Office, Liaison Secretariat for Macroeconomic Policy
Paul Rochon, Deputy Minister, Finance Canada

Attachment: Reply form for IR0355

Leswick, Nick (FIN)

From: Leswick, Nick (FIN)
Sent: Wednesday, March 7, 2018 6:58 PM
To: Recker, Bradley (FIN)
Cc: Greenough, Rod (FIN)
Subject: RE: PBO Budget Information Request

Excellent job, guys. Really comprehensive yet balanced response. Thanks for the effort.

Nick

From: Recker, Bradley (FIN)
Sent: Wednesday, March 7, 2018 4:26 PM
To: To, Justin (FIN) <justin.to@canada.ca>
Cc: Leswick, Nick (FIN) <nick.leswick@canada.ca>; Greenough, Rod (FIN) <rod.greenough@canada.ca>
Subject: PBO Budget Information Request

Justin, as mentioned on the call with Nick yesterday, we have been putting together a response to the PBO request for more information on the change in Direct Program Spending from the FES. A draft of our proposed response is attached.

As part of the same request (also attached) the PBO is seeking data on legacy infrastructure programs and details on a couple of tax policy items. We will forward you the proposed responses to those later in the week – trying for COB tomorrow. Our response is due Monday.

Thanks,

Brad

Brad Recker
Director General | Directeur général
Fiscal Policy Division | Division de la politique budgétaire
Finance Canada | Finances Canada
613-369-5667

Pages 7 to / à 9
are withheld pursuant to section
sont retenues en vertu de l'article

21(1)(b)

of the Access to Information Act
de la Loi sur l'accès à l'information

Leswick, Nick (FIN)

From: Recker, Bradley (FIN)
Sent: Thursday, March 8, 2018 3:02 PM
To: To, Justin (FIN)
Cc: Leswick, Nick (FIN)
Subject: FW: PBO Budget Information Request
Attachments: IR0355_FC_supplementary_info_Budget20018_EN.PDF; PBO Q1.docx

Just a reminder Justin, to make sure it's still hanging around your radar...

From: Recker, Bradley (FIN)
Sent: Wednesday, March 7, 2018 4:26 PM
To: To, Justin (FIN) <justin.to@canada.ca>
Cc: Leswick, Nick (FIN) <nick.leswick@canada.ca>; Greenough, Rod (FIN) <rod.greenough@canada.ca>
Subject: PBO Budget Information Request

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Thanks,

Brad

Brad Recker
Director General | Directeur général
Fiscal Policy Division | Division de la politique budgétaire
Finance Canada | Finances Canada
613-369-5667

Leswick, Nick (FIN)

From: Recker, Bradley (FIN)
Sent: Friday, March 9, 2018 4:25 PM
To: To, Justin (FIN)
Cc: Greenough, Rod (FIN); Leswick, Nick (FIN)
Subject: RE: PBO Information Request IR0355

From: To, Justin (FIN)
Sent: Friday, March 9, 2018 4:20 PM
To: Recker, Bradley (FIN) <bradley.recker@canada.ca>
Cc: Greenough, Rod (FIN) <rod.greenough@canada.ca>
Subject: RE: PBO Information Request IR0355

From: Recker, Bradley (FIN)
Sent: Friday, March 9, 2018 3:24 PM
To: To, Justin (FIN) <justin.to@canada.ca>
Cc: Greenough, Rod (FIN) <rod.greenough@canada.ca>
Subject: PBO Information Request IR0355

Justin, with respect to the PBO request, here is the letter we would plan to send back. We are not providing the other 2 parts of the information request at this time – one is being satisfied through a meeting with our tax policy folks next week and the other is made up of by information that we need to obtain from other departments so we plan to attain it and send it to them in April.

Brad

Leswick, Nick (FIN)

From: Recker, Bradley (FIN)
Sent: Saturday, March 10, 2018 5:31 AM
To: Shaw, Trevor
Cc: Jacques, Jason (jason.jacques@parl.gc.ca); Matier, Chris (chris.matier@parl.gc.ca); Leswick, Nick (FIN)
Subject: IRO355
Attachments: Scan_FinB_20180309-165650.pdf; Scan_FinB_20180309-171120.pdf; PBO Q1.docx

Hi, here you go. As indicated, please keep the response to part 1 of your request confidential. We will send a paper copy to Mr. Frechette next week.
Brad

Brad Recker
Director General | Directeur général
Fiscal Policy Division | Division de la politique budgétaire
Finance Canada | Finances Canada
613-369-5667

Pages 13 to / à 15
are withheld pursuant to section
sont retenues en vertu de l'article

21(1)(b)

of the Access to Information Act
de la Loi sur l'accès à l'information

Mr. Jean-Denis Fréchette
Parliamentary Budget Officer
Office of the Parliamentary Budget Officer
50 O'Connor Street, 10th Floor
Ottawa, ON
K1A 0A9

Dear Mr. Fréchette:

Re: Information Request IR0355

Please see attached, in response to your request dated March 2, 2018 for additional details regarding the supplementary information related to Budget 2018, additional details on the underlying factors contributing to the change from the 2017 Fall Economic Statement in the Direct Program Expense outlook.

Regarding the updated data on the allocation of legacy infrastructure programs, this information is not immediately available. Federal budgets do not provide updates on all program-level funding allocations across departments. As noted in the Fall Economic Statement 2016, existing infrastructure programs included pre-2016 Infrastructure Canada programs as well as a number of programs involving social and green infrastructure. These included programs under CMHC, INAC, Public Safety Canada, Health Canada, ESDC, PHAC, and Canadian Heritage.

In Budget 2018, Table A2.16 showed fiscally significant changes to some pre-2016 infrastructure programs. These programs are:

- New Building Canada Fund
- Green Infrastructure Fund
- Building Canada Plan – Provincial-Territorial Infrastructure Base Funding Program
- Building Canada Plan – Building Canada Fund
- Canada Strategic Infrastructure Fund
- Border Infrastructure Fund

Given the nature of this request, the Department of Finance can commit to provide updated data on the allocation of legacy infrastructure programs by April 16 2018,

Yaprak Baltaoglu, Secretary of the Treasury Board
Katharine Reichey, Assistant Secretary to the Cabinet, Policy Council Office

Nick Leswick

Yours sincerely,

Finally, regarding the data and methodologies for the 2017-18 to 2022-23 fiscal estimates for Artificial Losses Using Equity-based Financial Requirements and Stop-loss Rule on Share Repurchase Transactions, I understand that Department of Finance officials and officials from your office have agreed that this request will be satisfied through a meeting to take place in the coming weeks.

Following consultations with federal departments responsible for managing these programs.



Reply Form / Formulaire de réponse

2 March 2018 / 2 mars 2018
Finance Canada / Finances Canada

1. Information requested / N° de la demande d'information	IR0355
2. Response required by / Réponse demandée à date	12 March 2018 / 12 mars 2018
3. Contact / Personne-ressource	Trevor Shaw, trevor.shaw@parl.gc.ca , 613-698-6568
4. Information requested / Information demandée	We would like the following supplementary information for Budget 2018: 1. Details of the underlying factors contributing to recent economic and fiscal developments in direct program spending (excluding new measures), as shown in Table A2.3 (p. 312). Where possible, please categorize the changes between the Fall Economic Statement 2017 and Budget 2018 consistent with the presentation of Public Accounts Volume 2, Section 1, Table 3a. 2. Budget 2018 referenced the more than \$180 billion in infrastructure spending committed over 12 years (p. 349). Fall Economic Statement 2018 set out the infrastructure fiscal framework in Table 2.1 (p. 30) and Budget 2018 tables A2.17 and A2.18 reconcile data for Budgets 2016 and 2017. Budget 2018 table A2.18 accounts for only \$21.2 billion of the \$91.1 billion of "existing infrastructure programs" funding (FES2016, Table 2.1). Can you provide updated data on the allocation of legacy infrastructure programs for the entire \$91.1 billion envelope? 3. Data and methodologies for the 2017-18 to 2022-23 fiscal estimates for: - Artificial Losses Using Equity-Based Financial Arrangements - Stop-Loss Rule on Share Repurchase Transactions
5. Information requested / Information demandée	Nous souhaitons obtenir les renseignements supplémentaires suivants au sujet du budget de 2018 : 1. Les détails sur les facteurs sous-jacents ayant contribué à l'évolution récente de la situation économique et budgétaire en ce qui a trait aux dépenses de programmes directs (à l'exclusion des nouvelles mesures), comme indiqué au tableau A2.3 (p. 312). Dans la mesure du possible, veuillez regrouper par catégorie les changements survenus entre l'Énoncé économique de l'automne 2017 et le budget de 2018, conformément à la présentation du tableau 3a dans les Comptes publics, volume II, section 1. 2. Le budget de 2018 fait référence à des dépenses d'infrastructure prévues de plus de 180 milliards de dollars sur 12 ans (p. 349). Le cadre financier pour l'infrastructure a été défini au tableau 2.1 (p. 30) de l'Énoncé économique de l'automne 2018 et les tableaux A2.17 et A2.18 du budget de 2018 rapprochent les données des budgets de 2016 et de 2017. Or, le tableau A2.18 du budget de 2018 ne rend compte que de 21,2 milliards de dollars sur les 91,1 milliards de dollars prévus pour les « programmes d'infrastructure existants » (Énoncé économique de l'automne 2016, tableau 2.1). Pouvez-vous fournir des données à jour sur l'allocation pour les anciens programmes d'infrastructure pour toute l'enveloppe de 91,1 milliards de dollars? 3. Les données et les méthodes employées pour calculer les estimations financières de 2017-2018 à 2022-2023 pour : - les pertes artificielles établies au moyen de dispositions financières avec apport de capital; - la règle sur la minimisation des pertes concernant les opérations de rachat d'actions.

Tel: 613 692 6026 // Fax: 613 692 6420 // parl-pb@parl.gc.ca // Ottawa, Canada K1A 0A9 // www.pbo-dpo.gc.ca

6. Information requested / Information demandée	6. Provided / Communiquée	6. Not provided / Non communiquée	6. Not provided / Non communiquée
6. If the information requested is not provided, please explain. If information is not provided, please explain the reasons for the refusal.	<input type="checkbox"/> It is personal information the disclosure of which is restricted under section 18 of the Access to Information Act / Parliament of Canada Act, s. 79.4(2)(a). / Il s'agit de renseignements personnels « dont la communication est restreinte en vertu de l'article 18 de la Loi sur l'accès à l'information ». / Loi sur le Parlement du Canada, al. 79.4(2)(a). <input type="checkbox"/> The information is information the disclosure of which is restricted under any provision of any other Act of Parliament set out in Schedule II to the Access to Information Act / Parliament of Canada Act, s. 79.4(2)(c). / Les renseignements « sont des renseignements dont la communication est restreinte en vertu d'une disposition d'une autre loi fédérale figurant à l'annexe II de la Loi sur l'accès à l'information ». / Loi sur le Parlement du Canada, par. 79.4(2)(c). <input type="checkbox"/> It is not required for "the performance of the PBO's mandate." / Parliament of Canada Act, s. 79.4(1) / Les données ne sont pas « nécessaires à l'exécution (du mandat du DPB) ». / Loi sur le Parlement du Canada, par. 79.4(1).	<input type="checkbox"/> It is information that is protected by solicitor-client privilege or professional secrecy of advocates and notaries or by litigation privilege / Parliament of Canada Act, s. 79.4(2)(b). / Les renseignements « sont protégés par le secret professionnel de l'avocat ou du notaire ou le privilège relatif au litige ». / Loi sur le Parlement du Canada, al. 79.4(2)(b). <input type="checkbox"/> It is information that is a confidence of the Queen's Privy Council for Canada as defined in subsection 39(2) of the Canada Evidence Act. / Parliament of Canada Act, s. 79.4(2)(d). / Les renseignements « sont des renseignements confidentiels du Conseil privé de la Reine pour le Canada, définis au paragraphe 39(2) de la Loi sur la preuve au Canada ». / Loi sur le Parlement du Canada, al. 79.4(2)(d).	<input type="checkbox"/> Other (provide explanation) / Autre (veuillez préciser)
7. Do you consent to the public disclosure of the information? / Consentez-vous à ce que les renseignements soient divulgués publiquement?	<input type="checkbox"/> Yes / Oui	<input checked="" type="checkbox"/> No / Non	
Name (Please print) / Nom (veuillez imprimer à l'encre)	Brod Recker		
Title / Titre	General Director		
Signature / Signature			
Date / Date	Mar 7, 2018		
Please return this completed reply form to: Mr. Jean-Denis Fréchette Parliamentary Budget Officer Office of the Parliamentary Officer 50 O'Connor Street, 10th Floor Ottawa, ON K1A 0A9			
Veuillez faire parvenir le formulaire rempli à : Monsieur Jean-Denis Fréchette Directeur parlementaire du budget Bureau du Directeur parlementaire du budget 50, rue O'Connor, 10e étage, Ottawa (Ontario) K1A 0A9			